FINAL REPORT: Fire Services Review City of Long Beach, California

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Representing TriData and Public Financial Management:

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About the Study



• Cost: \$170,450

Timeline: Began in January 2004

Recommendations: 126

Initiatives: 15

Team: 20 active participants



Scope of Work - General



- Efficiency Review
 - All major divisions of the Fire Department
- Identify Savings (\$1.3M)
 - Increase revenues
 - Decrease costs
- Maintain or Improve Levels of Service
 - Response times
 - Ensure safety for LBFD personnel and citizens of Long Beach
- "The objective of this study was to examine the financial outlook of the Fire Department coupled with financial considerations for delivery of service."



Scope of Work - Specific



- Analyze incident response patterns and trends
- Analyze the budget and personnel spending of LBFD
- Examine personnel policies affecting LBFD staffing
- Evaluate current LBFD safety programs
- Analyze potential revenue ideas
- Review non-emergency services
- Evaluate other areas impacting the City's financial goals over three years



Organization - Final Report



11 major sections and Executive Summary

- Executive Summary
- Introduction
- Methodology
- Demand and Workload Projections
- Station and Apparatus Deployment
- Fire Operations

- Workforce Initiatives
- Cost Recovery
- EMS
- Fire Prevention
- Support Services
- Fitness and Wellness

 Great advantage to reading the report as a whole, not just as independent chapters



Team Observations



• LBFD is an excellent organization:

- Well organized, deployed, and trained
- High level of service at excellent value
- If no changes are made, community would be well served into the future
- While excellent, there are still opportunities to improve efficiency and service.

LBFD Personnel are:

- Professional
- Knowledgeable
- Innovative
- Concerned about community needs



Study Outcomes



126 Recommendations and 15 initiatives

- Recommendations vary
 - Some provide cost savings
 - Some require no out-of-pocket expenses
 - Others require capital improvements or personnel
 - Include both immediate changes and long-term initiatives
- Some recommendations involve changes to policy, procedure, or labor agreements



Major Findings



- ✓ Many of the recommendations and initiatives resulting from this study are considered long-term, strategic options.
- ✓ The City should consider initiatives and recommendations both independently and as a collective work.
- ✓ Final decisions about which ones to implement will require more review, as well as additional input from stakeholders such as the City Council, City management, Fire Department, employee groups, business leaders, and citizens at-large.



Demand and Workload



- Calls increased 15% in the last 7 years, faster than City population growth
- Emergency Medical Services has largest increase
- Call volume will continue to grow
 - Projected period of 20 years
 - Moderate growth
 - Between 440 and 1,000 calls per year



Historical Demand



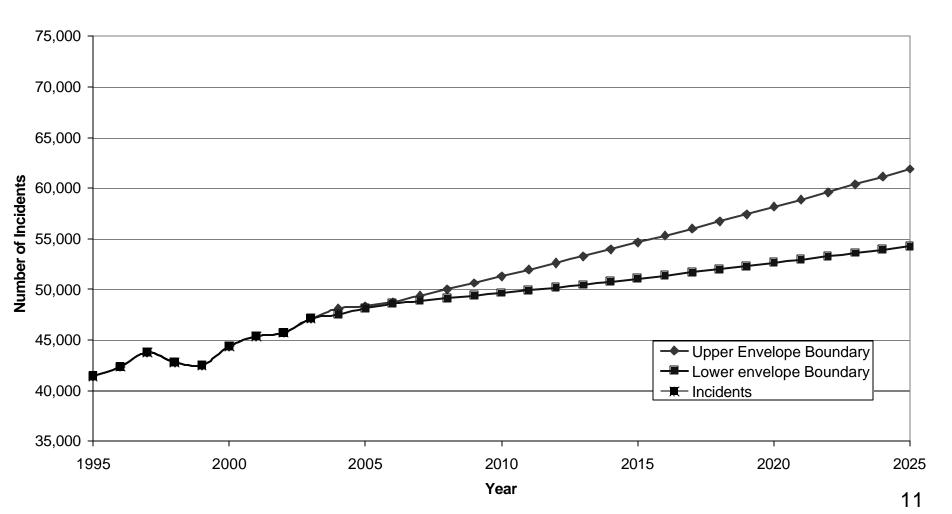
Fire	5,463	5,728	5,252	5,814	5,574	5,335	5,590	5,653	5,434
Medical	32,557	32,996	33,012	33,725	33,434	34,857	35,471	35,956	37,602
Non-fire (non-medical)	2,944	3,314	3,960	2,386	2,467	3,208	3,219	3,028	2,989
HazMat	256	144	1,556	844	980	916	1,000	982	1,004
Lifeguard/ Marine Safety	7,778	8,043	8,103	9,217	8,881	9,235	8,372	8,425	9,795
Tech Res. Co.	219	157	30	38	75	80	95	92	95



Demand Projection



Demand projection, not including Lifeguard and Marine Safety volume





Station and Apparatus Deployment



Population Density/Demand and Workload

- Varies from region to region
- Downtown demand and population density is the highest in the City
- Busiest stations are in the City's core area

Response Times

- FY02-03 average is 06:25 for all calls; 09:25 for 90th percentile
- Call processing and turnout need improvement
- Drive times are excellent

Station and Apparatus Locations

- Relocate Station 9
- Consolidate Stations 5 and 18
- Add a rescue to Station 22



Fire Operations



Work Schedule and Staffing

- Maintain current schedule
- No overtime savings by changing to alternate work schedule

Acting Personnel

- Currently not allowed, per labor agreement
- Used to improve professional development
- Reduces overtime expenditures
- Personnel gain experience in other positions
- Estimated \$297,862 in cost savings

Alternative Deployment and Staffing Options

Options to consider; reduce overlap, improve efficiency



Fire Operations (cont'd)



Goals:

- Same/ better coverage at reduced cost
- Evaluate fire company staffing (four vs. three)
- Evaluate demand and workloads

Option 1 (of 3):

- Eliminate 5th person on Truck 1 (Done!)
- Consolidate Engine 18 and Engine 5
- Integrate Rescue Boat 21 and Fireboat 15 Operations
- Eliminate Paramedics at Station 4, 7, and 22. Add paramedic rescue to Station 22

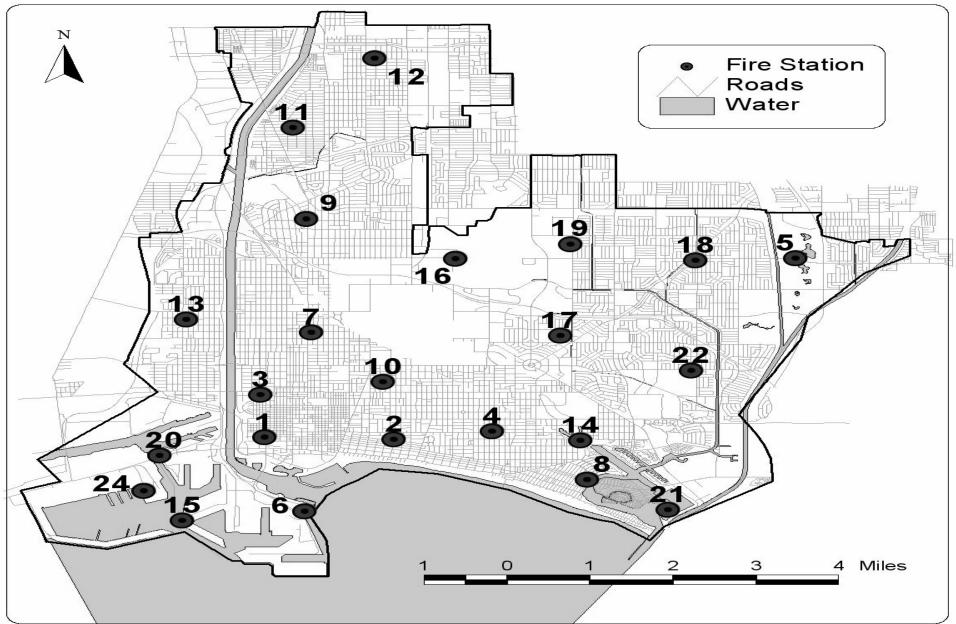
• Impacts:

- Reduces on-duty staffing from 134 to 130
- Reduces operations staffing from 402 to 390
- \$910,748 cost savings (\$460,443 from General Fund and \$450,305 from Tidelands Fund)



GIS Maps – Current System

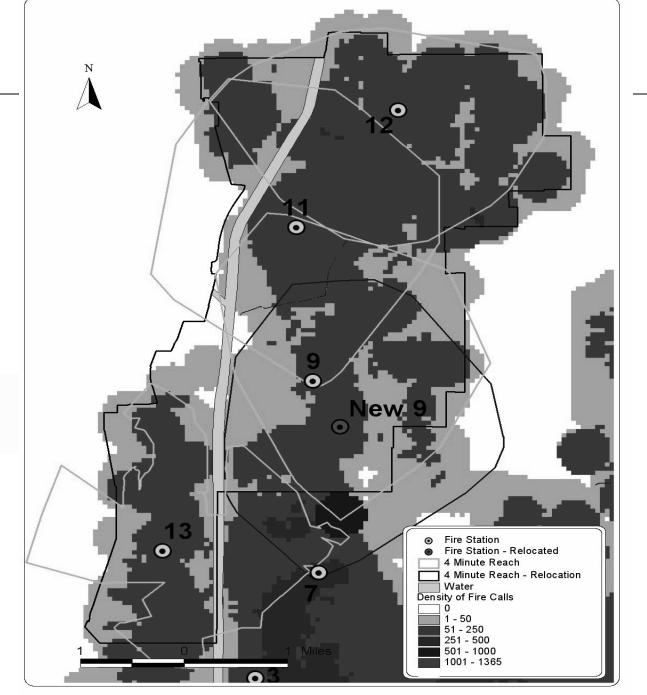


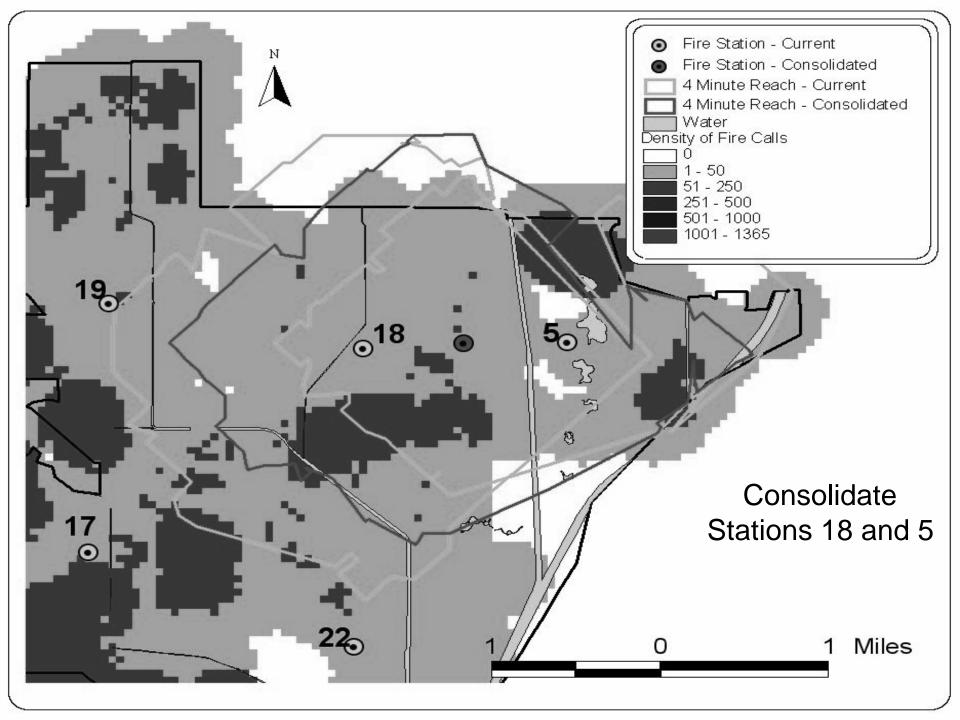














Workforce Initiatives "Menu" ■



- Analysis of workforce costs resulted in the development of a "menu" of options to achieve workforce savings
- Through negotiations, the FFA and the City can select from this menu or Union representatives could develop other initiatives to meet savings targets



Potential Workforce Savings



In FY05, these "menu" items could result in savings as follows:

Initiative	FY04-05
Base Salary Freeze	\$0
Sworn Employee Pension Contribution	\$332,734
Employee Insurance Contribution	\$0
Reduce Paid Leave Usage	\$342,620
Reduce Skill/Premium Pay	\$136,453
Eliminate Skill/Premium Pay for Paid Leave	\$236,459
Reduce Workers' Compensation Costs	\$0
Total	\$1,048,271



Workforce Initiatives (cont'd) <</p>



- Freeze in base salaries: no base wage increases for LBFD employees through FY07
 - Base salaries make up over 50% of FD budget
 - Salary increases trigger overtime and pension contribution increases
 - Compounding in future years magnifies effects of increases
 - Salaries are already broadly competitive
 - Firefighter positions are desirable
 - Only 8.7% of total separations in past 7 years have been voluntary resignations other than service retirements
 - In 2004, over 6,000 applicants applied for 28 firefighter positions



Workforce Initiatives (cont'd) ■



- Increase sworn employee pension contribution: 1% in FY05 and 2% in FY06 and FY07
 - FY05 pension contributions are 25% of salary up from 0% in FY04
 - City pays 100% of sworn personnel pension contributions more than other CA cities
 - Huntington Beach firefighters pay 2.25%; Anaheim firefighters pay 9%
 - FY04 MOU with Long Beach Management Association included nonbinding concessions:
 - Starting in October 2004, safety management members pay 2% (subject to the agreement of other safety bargaining units)
 - Safety management members hired after October 2004 pay 5%

	FY05	FY06	FY07
Discount Percent	50%	0%	0%
Fiscal Impact	\$166,367	\$665,469	\$665,469



Workforce Initiatives (cont'd) <</p>



Reduced paid leave allowance by one day for each sworn employee

- Current average leave allowance after 10 years: 20 shifts
- Leave usage costs: \$7.7 million in 2004
- Possible strategies to reduce leave usage:
 - Incentives to use less leave
 - Impose stricter requirements on sick leave usage
 - Reduce leave allowance

	FY05	FY06	FY07
Discount Percent	50%	0%	0%
Fiscal Impact	\$171,310	\$342,620	\$342,620



Workforce Initiatives (cont'd) ■



- Reduce premium pay rates by 5%
 - Current rates:
 - \$0.80 an hour up to \$139/ month for bilingual sworn personnel
 - 39% above market median
 - Educational incentives for Battalion Chief incumbents:
 - In Long Beach, \$300/ month for an A.A. degree, \$350/ month for a B.S., and \$400/ month for a Masters Degree
 - Only 2 of LBFD's peer departments provide educational incentives to Battalion Chiefs
 - For example, a 5% reduction would reduce Paramedic II skill pay from \$4.86 to \$4.62 per hour and Dive Master skill pay from \$1.01 to \$0.96 per hour

	FY05	FY06	FY07
Discount Percent	0%	0%	0%
Fiscal Impact	\$136,453	\$136,453	\$136,453



Workforce Initiatives (cont'd) ₩



Eliminate premium pay for paid leave periods

 Current policy: eligible employees receive base plus premium pay for both active duty and paid leave

	FY05	FY06	FY07
Discount Percent	50%	0%	0%
Fiscal Impact	\$118,230	\$236,459	\$236,459



Cost Recovery Initiatives



In FY05, proposed cost recovery initiatives could result in additional revenues as follows:

Cost Recovery Initiative	FY05
False Fire Alarm Fee	\$124,000
Fire Hydrant Inspection Fee	\$417,000
Hazardous Materials Clean-up Fee	\$240,000
Public Safety Tax	\$0
Total	\$781,000





Charge false fire alarm fees

- Long Beach does not currently impose false fire alarm fees
 - FY02: 2,742 Alarms
 - FY04-07: 3,000+ expected
- Other cities have false fire alarm fee programs; Long Beach already has a false burglar alarm fee
- False alarm fees help reduce unnecessary responses, increasing availability for real emergencies
- Proposal: use Oakland's program as a model
 - Allow 1 free false alarm every 6 months
 - Charge the same fee: \$390

	FY05	FY06	FY07
Discount %	50%	0%	0%
Fiscal Impact	\$124,000	\$251,000	\$253,000





Charge fire hydrant inspection fees

- 7,000 fire hydrants owned by City's Water Department
- Fire Department conducts yearly maintenance at no charge

	FY2004-05	FY2005-06	FY2006-07
Average Firefighter Hourly Rate	\$33.55	\$33.84	\$34.09
Average Engineer Hourly Rate	\$38.70	\$39.03	\$39.31
Average Captain Hourly Rate	<u>\$46.15</u>	<u>\$46.55</u>	<u>\$46.88</u>
Average Hourly Rate - 4 Positions ¹	\$151.96	\$153.26	\$154.37
Hourly Rate plus Indirect Cost Factor	\$178.51	\$180.04	\$181.34
Hours per Fire Hydrant Inspected	0.33	0.33	0.33
Cost per Fire Hydrant Inspected	\$59.50	\$60.01	\$60.45

	FY05	FY06	FY07
Discount %	0%	0%	0%
Fiscal Impact	\$417,000	\$420,000	\$423,000





- Charge hazardous material clean-up fees to recover 20% of costs
 - 1st responder to hazmat emergencies
 - Emergency Services Division of HHS works with Fire Department
 - FY02: 250 total hazmat incidents
 - 129 false alarms
 - Fire Department expenditures: \$1,208,507
 - Fire Department does not currently charge for service

	FY05	FY06	FY07
Discount %	0%	0%	0%
Fiscal Impact	\$240,000	\$240,000	\$240,000





Public Safety Tax

- Pursuant to Proposition 218
 - Would require approval of special taxes by two-thirds of voters
- Other Cities:
 - Oklahoma City, OK: ¾ cent permanent sales tax
 - Scottsdale, AZ: 1/10 cent sales tax
 - Union City, CA: 5 year-special tax on parcels
 - Indio, CA: considering \$175/ year/ household parcel tax



Emergency Medical Services



Current Service

- LBFD provides ALS transport
- AMR provides BLS transport
- Generates annual revenue of ~\$4.4M

Opportunities to increase revenue

- Recommendation: Outsource EMS billing
- Recommendation: Add BLS transport component, utilizing contracted ambulance operators (revenue = \$445,695)

BLS Operators

- More equitable financial opportunity
- Cost = ~\$1.5 million (for 5 BLS ambulances)
- Potential revenue = ~\$500,000



EMS (cont'd)



Subscription program

- Considerations
 - Exists in many cities
 - A \$50 membership fee could yield \$285,000 with 5% of households (5,708) participating
- Challenges
 - Dedicated staffing
 - Lose co-payment revenues
 - If 6.7% of members use EMS (and are cash members) the City will lose more revenue than it generates
- Do not recommend a subscription program at this time
 - Should study more in-depth (e.g., market analysis)



Fire Prevention



Overview

- Performs well
- Inadequate staffing level, particularly for public education and inspections

Organization and Management

- Consider reorganizing with a two-function structure (Fire Marshal and two Deputy Fire Marshals)
- More economical, improves span of control, and more clearly delineates functions

Funding Sources and Fees

- Add developer impact fee for fire service on new development and construction
- Revenue ~\$350,000/yr



Support Services



Training and Professional Development

- Delivers good training with few personnel
- Should deliver training to outside agencies (curricula, videos)

Administrative Services

Eliminate civilian Administrative Officer position

Information Technology

- Severe disadvantage; difficulty extracting data
- Need dedicated staff to implement and maintain application systems
- More interface with Department of Technology Services

Disaster (Emergency Management)

- Understaffed
- Fund 3 positions for EOC (technical specialist, security manager, and facility manager)
- Spread the cost of disaster management and EOC operations across all entities that benefit from disaster management planning



Fitness and Wellness Programs



Purpose

Improve health, wellness, and reduce injuries

Injuries and Workers' Compensation

- Spent \$4.5M on workers' compensation claims in past 3 years
- A 5% injury reduction rate will save over \$100K in compensation costs and OT

Personnel

- Hire FT Wellness Coordinator
- Will execute program, develop policies, create evaluation instruments and measures, etc.

Return on Investment

- First year = \$36,158
- Second year = \$28,263



Thank you!



Questions?